

## Get Ready For Tax Preparation Using Peachtree

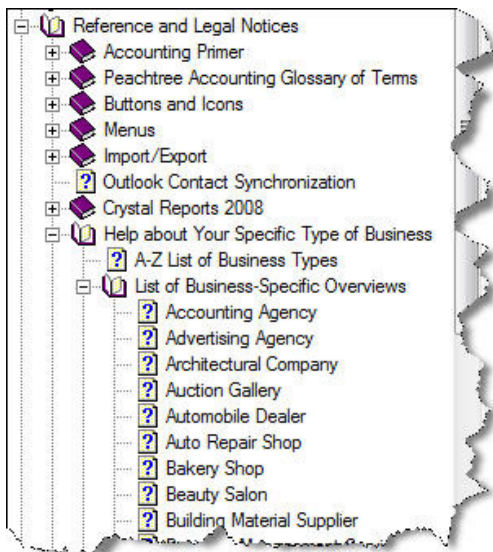
Wouldn't it be nice if there was a button you could push that would move all of your income tax-related data from Peachtree directly into your accounting professional's computer or a tax package, sliding it directly onto the correct forms and schedules? Unfortunately, we're not there yet, but Peachtree desktop software does help you prepare all through the year for April 15 in a variety of ways. Take advantage of those tools, and you'll find tax prep to be a friendlier, less frantic process.

### Use An Industry-Friendly Version

Business structures can vary tremendously from one industry to another (Chart of Accounts, reports, etc.). Peachtree Premium comes in several different "flavors" to accommodate the needs of companies in industries like construction and manufacturing. The proper setup will make your tax reporting more streamlined.

### Get Advice On Your Business Type

The generic versions of Peachtree, too, can be molded to better serve you. Peachtree Help contains advice for tweaking your copy to meet the specialized needs of dozens of industries. Click on **Help|Peachtree Accounting Help** and click the **Contents** tab. Click the **+** sign next to **Reference and Legal Notices**, and then the **+** sign next to **Help about Your Specific Type of Business**, as shown in **Figure 1**. Select one and follow the advice given.



**Figure 1:** Peachtree's voluminous help system provides advice on how to tailor the program to meet the requirements of your industry, which translates into better tax reporting.

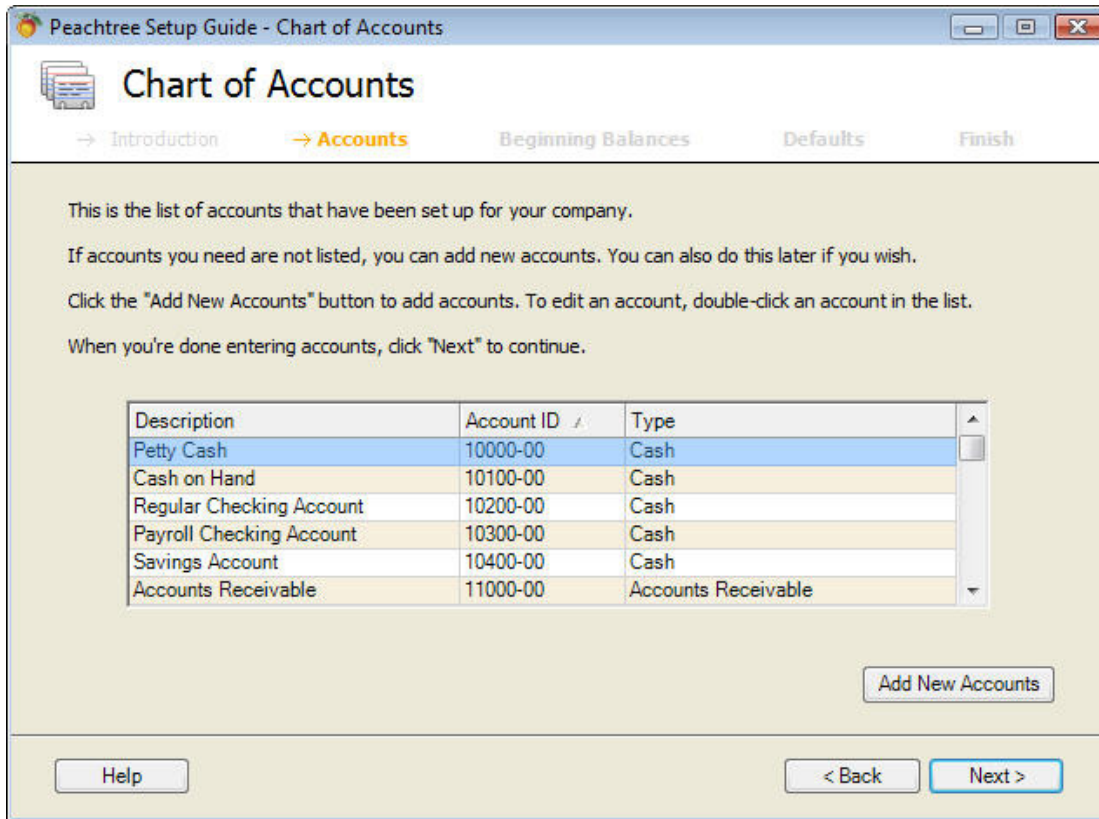
### Modify Your Chart of Accounts

It's also important to pay attention to all of the steps in the Setup Guide, which can be accessed anytime by clicking the **Company** bar in the navigation toolbar on the left, then clicking on the **Setup Guide** button.

One of the issues addressed in the Setup Guide is your Chart of Accounts. Peachtree provides tailored versions of these for dozens of industries, and you selected one (or opted to build your own) when you were going through the program's initial setup.

As you've undoubtedly noticed, you assign transactions to accounts in Peachtree. It's critical for tax purposes that these assignments are correct; it's also critical that your Chart of Accounts reflects the structure of your business. So you may want to alter it, *a process that is best done after consulting an accounting professional*.

Click **File|Setup Guide**, and then select **Chart of Accounts**. Click **Next**, and you'll see the window shown in **Figure 2**. Click **Add New Accounts** and enter the required information. Click **Save**.

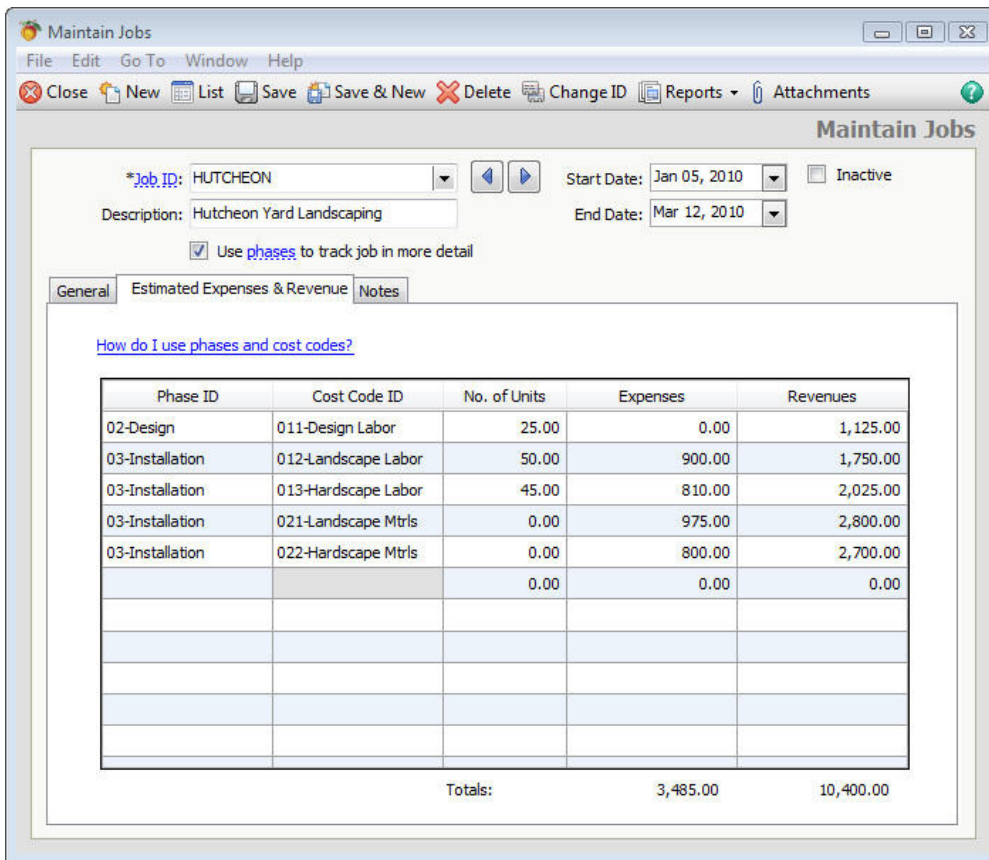


**Figure 2:** Altering your Chart of Accounts—with the guidance of an accounting professional—may help your tax reporting better reflect your business.

## Use Job Phases

Of course, any time you enter revenue or expenses in Peachtree, you're affecting taxes down the road. An area that needs special attention is **Jobs**. If your company performs multi-task revenue-producing projects for customers, your taxes will be more in order if you use Peachtree's Job tools (Peachtree Complete and higher).

To start building jobs, click on **Customers & Sales** in the navigation pane. Click the arrow in the lower right corner of the **Jobs** button. Select **New Job**. Enter the information requested there and check the **Use phases to track jobs in more detail** box if you want to break the job down into incremental steps, as shown in **Figure 3**.



**Figure 3:** You can use phases in Peachtree Complete and higher to break down projects into smaller pieces and more closely track revenue and expenses.

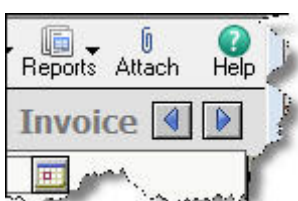
### Track Fixed Assets Competently

Fixed assets—land, building or machinery; assets that are to be used for a long time—have special tax considerations. FAS for Peachtree lets you manage and depreciate up to 200 fixed assets (Peachtree Complete and higher). And since changes in Federal tax depreciation laws will directly affect your company’s tax liabilities, Sage sells an annual subscription that will help you ensure that your calculations and reporting are correct.

### Attach Documentation to Forms

Probably one of the biggest challenges you have at tax prep time is paper. Even if you have a pristine document filing system, it’s still separated by physical space from your data in Peachtree. You may find yourself running constantly between your filing cabinet and your mouse.

Peachtree’s solution? Simply attach electronic files—background documentation—to your Peachtree forms. Click the **Attach** icon in the upper right corner of a form. A small window opens; click **Add** and browse to the desired file. Double-click it or highlight it and click **Open**. The **Attach** icon will change to indicate that there’s a related file, as shown in **Figure 4**.

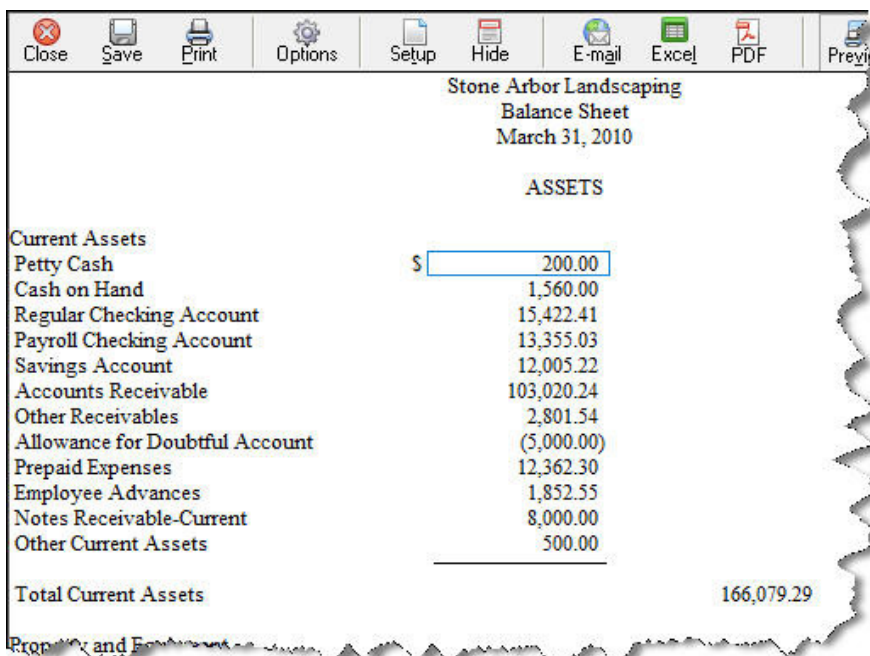


**Figure 4:** Click the **Attach** icon to add supporting documentation to a form. The icon will change to reflect the attached file.

## Run Needed Reports

Finally, reports will be critical at tax time, and Peachtree provides several that you'll need. As shown in **Figure 5**, you can easily modify and redesign them. These include:

- Balance Sheet
- Income Statement
- Statement of Changes



Stone Arbor Landscaping	
Balance Sheet	
March 31, 2010	
ASSETS	
Current Assets	
Petty Cash	\$ 200.00
Cash on Hand	1,560.00
Regular Checking Account	15,422.41
Payroll Checking Account	13,355.03
Savings Account	12,005.22
Accounts Receivable	103,020.24
Other Receivables	2,801.54
Allowance for Doubtful Account	(5,000.00)
Prepaid Expenses	12,362.30
Employee Advances	1,852.55
Notes Receivable-Current	8,000.00
Other Current Assets	500.00
Total Current Assets	166,079.29

**Figure 5:** Peachtree accounting products offer a powerful, flexible stable of reports that can sum up your financials for any time period.

You or your accounting professional may also want additional reports, like Aged Receivables and Inventory Valuation.

**Note:** Users of Peachtree Premium Accounting and above get a free copy of the powerful *Crystal Reports 2008*, which gives you enormous flexibility.

## Take Advantage of Peachtree's Many Features

Peachtree software offers many other features that will help you come income tax time, like departmentalized financial statements (Premium and higher) and 1099/1096 forms. Conscientious, careful use of these tools—and consultation with an accounting professional when advisable—will make your 1040 tango a more skillful dance.